

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7410

BILL NUMBER: HB 1561

DATE PREPARED: Feb 28, 2001

BILL AMENDED: Feb 27, 2001

SUBJECT: Experience Requirements for Appraisers.

FISCAL ANALYST: Chris Baker

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FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill requires the Real Estate Appraiser Licensure and Certification Board to review the hour value of appraisal work that qualifies for experience credit for licensure or certification of real estate appraisers. The bill specifies that the review must specifically address the hour value of agricultural appraisal work. It also provides rule making authority to establish the hour value of agricultural appraisal work.

Effective Date: Upon passage.

Explanation of State Expenditures: (Revised) There may be some additional expenditures required for the adoption and publication of the new rules related to the minimum hour values for experience credit. The Professional Licensing Agency should be able to absorb these costs given its current budget.

Generally, the seven-member Real Estate Appraiser Licensure and Certification Board (REALCB) does not need a complete day to conduct business at monthly meetings. As a result of this proposal, it is possible that full-day meetings could be required. If overnight stays increase for some of the current Board members, expenditures for the Board would increase.

Board members receive reimbursement for travel, per diem, meals, and other business-related expenditures such as hotel stays. Currently, overnight accommodations are reimbursed at a maximum of \$79 per night.

REALCB expenditures for board meetings in FY 2000 totaled \$9,400.

Explanation of State Revenues: (Revised) The bill requires the REALCB to review the hour value of appraisal work that qualifies for experience credit for licensure or certification of real estate appraisers. The REALCB must adopt rules to establish the hour value of agricultural appraisal work that qualifies for experience credit for licensure or certification of real estate appraisers. It is not certain if revenue would be

increased or decreased, as a result of the bill. Any impact would be dependent on the new rules adopted by the REALCB.

In FY 2000 the amount of fees collected for real estate appraisers was \$149,760. As of December 2000, the Professional Licensing Agency reported 523 certified general, 756 certified residential, and 676 licensed residential real estate appraisers with active licenses. In addition there are 742 active licensed Appraiser Trainees.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Professional Licensing Agency; Real Estate Appraiser Licensure and Certification Board.

Local Agencies Affected:

Information Sources: Kim Tarnacki, Professional Licensing Agency, (317) 232-3901; State Budget Agency; Office of the Auditor of State.